



County of Tuolumne Local Agency Formation Commission

Quincy Yaley, AICP
Executive Officer

AGENDA

TUOLUMNE COUNTY LAFCO BOARD OF SUPERVISORS CHAMBERS 2 SOUTH GREEN STREET, SONORA, CA, 4th FLOOR March 14, 2022 4:00 p.m.

A.N. Francisco Building
48 Yaney Avenue
Mailing: 2 S. Green Street
Sonora, CA 95370
209 533-5633
209 533-5616 (fax)
www.tuolumnecounty.ca.gov

IMPORTANT PUBLIC NOTICE: Under the Governor's Executive Order N-25-20, this meeting will allow members of the Local Agency Formation Commission to participate by teleconference. Under Order N-29-20, Accessibility Requirements, if you need swift special assistance during the LAFCO Commission meeting, please call **209-770-5423**.

In order to protect public health and the safety of Tuolumne County citizens, the Tuolumne County Local Agency Formation Commission Meeting will be physically closed to the public. Public Comment will be opened and closed individually for each agenda item listed below, excluding Reports. To observe or participate in the LAFCO meeting, follow the instructions below.

For detailed Zoom instructions go to the Agenda Packet
<https://www.tuolumnecounty.ca.gov/AgendaCenter/Local-Agency-Formation-Commission-7>

- Link to join webinar: <https://us02web.zoom.us/j/83106691302>

You also may submit written comments by U.S. mail at 2 South Green Street, Sonora, CA 95370 or email (cdd@tuolumnecounty.ca.gov) for retention as part of the administrative record. Comments will not be read during the meeting. Comments must be received by the Community Development Department Director no later than 9:00 AM on the morning of the noticed meeting.

COMMISSION BUSINESS:

- A. Salute the Flag
- B. Adopting Resolution LAFCO2022-001 authorizing remote teleconference meetings of LAFCO for the period of March 14, 2022 to April 14, 2022
- C. Reports
"Reports" are a brief oral report from a committee or commission member and/or County staff, and no committee or commission action will occur. This item is not intended to include in depth presentations or reports, as those matters should be placed on an agenda for discussion.

PUBLIC COMMENT: 15 Minutes

The public may speak on any item not on the printed agenda. No action may be taken by the Commission.

NEW BUSINESS:

- A. Public Workshop - Review the status of LAFCO Project LAF20-002, "Consolidation of the Tuolumne City Sanitary District, the Tuolumne Park and Recreation District, and the Tuolumne Lighting District into the Tuolumne Community Services District."

PUBLIC HEARING:

None

ADJOURNMENT

Disclosure of Campaign Contributions – Government Code Section 84308 requires that campaign disclosure reports provide the public with the identity of contributors and the amounts they give, and the amount that officeholders, candidates, and committees spend. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within 12 months, the Commissioner has received \$250.00 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application (such as an attorney, engineer, or planning consultant) representing the applicant or interested party. The law also requires any applicant or participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. The law also prohibits an applicant from making a contribution of \$250.00, or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward.

Disclosure of Expenses Supporting and Opposing Proposals - If a person or group contributes or expends \$1,000.00 or more in support of, or in opposition to, a proposal before LAFCO, those contributions and expenditures must be disclosed. Pursuant to Section 56100.1 of the Government Code, disclosure shall be made to the Commission's executive officer.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development Department at (209) 533-5633. Notification 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting (28FR35.102-35.104 ADA Title 11).

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COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

TO: Tuolumne County Committee and Commission Members

FROM: Quincy Yaley, AICP Community Development Department Director

RE: COVID-19 Meeting Procedures

48 Yaney Avenue, Sonora
Mailing: 2 S. Green Street
Sonora, CA 95370
(209) 533-5633
(209) 533-5616 (Fax)
(209) 533-5909 (Fax – EHD)
www.tuolumnecounty.ca.gov

In response to increasing risks of exposure to the coronavirus (COVID-19), all the Committee and Commission meetings will be conducted and participated via Zoom. Video conferencing via Zoom will allow the Commission/Committees and County to adhere to social distancing requirements of the Brown Act and provide a way for the public to provide public comment live during the meeting.

Due to the modified meeting format and tele-conferencing meeting procedures, the Chair may choose to allow public comment on the project in an alternative fashion, rather than calling for those in favor, those in opposition, those neutral, and then any rebuttals or surrebuttals. The Chair may take public comment on the project in any order in lieu of the calling for those in favor, opposition, neutral, rebuttals, and then surrebuttals.

The Committee and Commission may elect to allow the applicant or applicant representative a specific time to speak on the project prior to taking public comments on the item. This opportunity could have a specific time length allotted, such as five or ten minutes.

As a reminder, those who wish to provide information during the public comment are not required to provide their name. County staff will notify the Chair of any individuals who wish to provide testimony and will limit the testimony to the time limit identified by the Chair.

If an item on the agenda is not identified as a “public hearing”, public comment is still required and can be conducted in a similar format to the modified procedures above.

All votes require a roll call with each Committee and Commission member to be named by County Staff prior to stating their vote. The Chair shall also identify by name the commissioner who initiated the motion and the name of the commissioner who seconds the motion. After a second is named, the Chair must allow County staff to complete a roll call vote.

It is possible that a delay may occur from the time the Chair calls for public comment on a project and when County staff can connect them into the zoom meeting. It is recommended that the Chair pause for 60-90 seconds after calling for public comment to allow for any connections to occur. If there are no individuals in the queue for commenting on a specific item, after 90 seconds has elapsed County staff will notify the Chair that there is no further public comment.

Staff may need to respond to emails or phone calls from members of the public during the meeting to provide assistance to the public if they encounter problems using the Zoom platform. Staff requests that the Chair allow additional time as needed to ensure that members of the public can engage in the meeting.

Zoom Instructions

Zoom links can be found in the agenda for each meeting. The public can view the meeting from their smartphone, on their computer browser, or listen on their telephone. Zoom does not require an account to attend the meeting, but if the public wishes to create one, their basic accounts are free.

It is possible that a delay may occur from the time the Chair calls for public comment on a project and when County staff can connect them into the Zoom meeting. The Chair will pause for 60 seconds after calling for public comment to allow for any connections to occur. If there are no individuals in the queue for commenting on a specific item, after 60 seconds has elapsed county staff will notify the Chair that there is no public comment.

Members of the public can also choose to watch the meeting and do not have to comment during the meeting. If a member of the public does not want to provide public comment live, they can provide public comment prior to the meeting via email to the Community Development Department Planning manager at OYaley@co.tuolumne.ca.us. If you would like your comments to be included in the record, please send comments to the above email address by 9:00 a.m. of the day of the noticed meeting.

If anyone is having technical difficulties with Zoom, they can visit Zoom's support page for helpful tips: <https://support.zoom.us/hc/en-us/categories/201146643>.

Below are step by step instructions on how to join and interact as an attendee via Zoom.

JOINING A WEBINAR BY LINK

- To join the webinar, click the link that we provided in the agenda.
- If you are signed in, change your name if you do not want your default name to appear.
- If you are not signed in, enter a display name.

MANUALLY JOINING A WEBINAR

- Use the 9-digit meeting ID/webinar ID provided in the agenda.
- Sign in to the Zoom Desktop or Mobile App
- Click or tap **Join a Meeting**
- Enter the 9-digit webinar ID, and click **Join** or tap **Join Meeting**
- If prompted, enter your name and email, then click **Join Webinar** or tap **Join**.
- You may change your name if you do not want your default name to appear, as you are not required to state your name.

WAITING FOR HOST TO START THE WEBINAR

- If the host has not started broadcasting the webinar, you'll receive a message letting you know to "Please wait for the host to start the meeting".

PUBLIC COMMENT

- During the public comment period you will have the option to "raise your hand" if you would like to comment on a proposed project or during the public comment portion of the meeting.
- Once you have clicked the "raise your hand" option, please wait until a staff unmutes your microphone.
- Once staff has unmuted you will have three minutes to speak.

- A staff member will verbally communicate to you and the Commissioners when you have 30 seconds remaining and then when your time is up.
- Once your allotted time is up, a staff member will mute and “lower your hand”.
- If you are participating from your smartphone, you will also have a “raise their hand” feature.
- When you are unmuted a prompt will appear to confirm you would like to be unmuted.
- Once you confirm you will be able to provide public comment.
- If you are participating via telephone call, you will need to press *9 (star 9) to “raise their hand”, and when you are unmuted you will hear “you are unmuted” allowing you to provide public comment.

END OF MEETING

- If you would like to leave the meeting before it ends, click **Leave meeting**. If you leave, you can rejoin if the webinar is still in progress, as long as the host has not locked the webinar.

Hi there,

You are invited to a Zoom webinar.

When: Mar 14, 2022 04:00 PM Pacific Time (US and Canada)

Topic: LAFCO 3-14-2022

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83106691302>

Or One tap mobile :

US: +16699006833,,83106691302# or +12532158782,,83106691302#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 831 0669 1302

International numbers available: <https://us02web.zoom.us/j/83106691302>

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1 **Local Agency Formation Commission (LAFCO)**

2 **County of Tuolumne**

3

4 **FINDINGS OF THE TUOLUMNE COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

5 **AUTHORIZING REMOTE TELECONFERENCE MEETINGS**

6 **OF THE TUOLUMNE COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

7 **FOR THE PERIOD MARCH 14, 2022 TO APRIL 14, 2022**

8 **PURSUANT TO THE RALPH M. BROWN ACT.**

9

10 **WHEREAS**, all meetings of Tuolumne County Local Agency Formation Commission (LAFCO)

11 and its legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §§

12 54950 – 54963), so that any member of the public may attend, participate, and view the legislative bodies

13 conduct their business; and

14 **WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote

15 teleconferencing participation in meetings by members of a legislative body, without compliance with the

16 requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions and

17 requirements; and

18 **WHEREAS**, a required condition of Government Code section 54953(e) is that a state of emergency

19 is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of

20 conditions of disaster or of extreme peril to the safety of persons and property within the state caused by

21 conditions as described in Government Code section 8558(b); and

22 **WHEREAS**, a further required condition of Government Code section 54953(e) is that state or local

23 officials have imposed or recommended measures to promote social distancing, or, the legislative body

24 holds a meeting to determine or has determined by a majority vote that meeting in person would present

25 imminent risks to the health and safety of attendees; and

26 **WHEREAS**, on March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency

27 declaring a state of emergency exists in California due to the threat of COVID-19, pursuant to the California

28 Emergency Services Act (Government Code section 8625); and,

1 **WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-07-21, which
2 formally rescinded the Stay-at-Home Order (Executive Order N-33-20), as well as the framework for a
3 gradual, risk-based reopening of the economy (Executive Order N-60-20, issued on May 4, 2020) but did
4 not rescind the proclaimed state of emergency; and,

5 **WHEREAS**, on June 11, 2021, Governor Newsom also issued Executive Order N-08-21, which set
6 expiration dates for certain paragraphs of the State of Emergency Proclamation dated March 4, 2020 and
7 other Executive Orders but did not rescind the proclaimed state of emergency; and,

8 **WHEREAS**, as of the date of this Findings, neither the Governor nor the state Legislature have
9 exercised their respective powers pursuant to Government Code section 8629 to lift the state of emergency
10 either by proclamation or by concurrent Findings the state Legislature; and,

11 **WHEREAS**, the California Department of Industrial Relations has issued regulations related to
12 COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of
13 Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the
14 measures to decrease the spread of COVID-19 based on the fact that particles containing the virus can travel
15 more than six feet, especially indoors; and,

16 **WHEREAS**, the Tuolumne County Local Agency Formation Commission (LAFCO) finds that state
17 or local officials have imposed or recommended measures to promote social distancing, based on the
18 California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention
19 through Title 8 of the California Code of Regulations, Section 3205(5)(D); and,

20 **WHEREAS**, as a consequence, the Tuolumne County Local Agency Formation Commission
21 (LAFCO) does hereby find that it shall conduct its meetings by teleconferencing without compliance with
22 Government Code section 54953 (b)(3), pursuant to Section 54953(e), and that such legislative bodies shall
23 comply with the requirements to provide the public with access to the meetings as prescribed by
24 Government Code section 54953(e)(2).

25 ///

26 ///

27 ///

28 ///

1 **NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED** by the Tuolumne County
2 Local Agency Formation Commission (LAFCO) , County of Tuolumne, State of California, in regular
3 session assembled on March 14, 2022 does hereby resolve as follows:

4 Section 1. Recitals. All of the above recitals are true and correct and are incorporated into this
5 Findings by this reference.

6 Section 2. State or Local Officials Have Imposed or Recommended Measures to Promote Social
7 Distancing. The Tuolumne County Local Agency Formation Commission (LAFCO) hereby proclaims that
8 state officials have imposed or recommended measures to promote social (physical) distancing based on
9 the California Department of Industrial Relations' issuance of regulations related to COVID-19 Prevention
10 through Title 8 of the California Code of Regulations, Section 3205(5)(D).

11 Section 3. Remote Teleconference Meetings. The Tuolumne County Local Agency Formation
12 Commission (LAFCO) is hereby authorized and directed to take all actions necessary to carry out the intent
13 and purpose of these Findings including, conducting open and public meetings in accordance with
14 Government Code section 54953(e) and other applicable provisions of the Brown Act.

15 Section 4. Effective Date. These Findings shall take effect immediately upon its adoption and
16 shall be effective until the earlier of (i) December 13, 2021, or (ii) such time the Tuolumne County Local
17 Agency Formation Commission (LAFCO) adopts a subsequent Findings in accordance with Government
18 Code section 54953(e)(3) to extend the time during which its legislative bodies may continue to
19 teleconference without compliance with Section 54953(b)(3).

20 ADOPTED this 14th day of March, 2022 by Tuolumne County Local Agency Formation
21 Commission (LAFCO), by the following vote:

22
23 YES:

24 NO:

25 ABSENT:

26 ABSTAIN:



County of Tuolumne Local Agency Formation Commission

Quincy Yaley, AICP
Executive Officer

March 7, 2022

A.N. Francisco Building
48 Yanez Avenue
Mailing: 2 S. Green Street
Sonora, CA 95370
209 533-5633
209 533-5616 (fax)
www.tuolumnecounty.ca.gov

TO: Tuolumne County Local Agency Formation Commission

FROM: Quincy Yaley, AICP, Executive Director

RE: LAF20-002 – Public Workshop - Consolidation of the Tuolumne City Sanitary District, the Tuolumne Park and Recreation District, and the Tuolumne Lighting District into the Tuolumne Community Services District.

GENERAL INFORMATION

1. This agenda item is a public workshop to review work done to date on the above project and solicit public and Commissioner feedback on the proposal. No staff recommendations are included in this presentation, and no decisions are being asked from the Commission at this time. Staff will return at a future meeting with a recommendation for a determination by Tuolumne Local Agency Formation Commission.
2. The Tuolumne Local Agency Formation Commission (LAFCo) has received an application (Attachment 1) from the Tuolumne City Sanitary District and the Tuolumne Parks and Recreation District requesting that their two special districts, along with the County-managed Tuolumne Lighting District, be consolidated into one special district to be called the Tuolumne Community Services District.
3. Tuolumne LAFCo is the oversight agency for special districts and cities within Tuolumne County. The role of LAFCo under the Cortese-Knox-Hertzberg Reorganization Act of 2000 is to oversee local agency boundary changes and adopt spheres of influence for local agencies. Among the purposes of LAFCos are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies. As such, LAFCo is solely empowered with adjusting the boundaries of special districts. Therefore, LAFCo's responsibility is to review the information available regarding services provided by an agency and make appropriate decisions regarding proposed boundary changes.

PROPOSED PROJECT

4. The proposal for consolidation of three special districts in the Tuolumne area was made jointly by the Tuolumne City Sanitary District and the Tuolumne Parks and Recreation District, with each district adopting a Resolution outlining their joint proposal.
 - A. Consolidate three special districts into one new Community Services District. The three districts to be consolidated are the Tuolumne City Sanitary District (TCSD), the Tuolumne Parks and Recreation District (TPRD), and the Tuolumne Lighting District (TLD).
 - B. The consolidated district would be organized under the Community Services District Law found in Government Code Section 61000 et seq.
 - C. The consolidated district would be named the Tuolumne Community Services District.
 - D. The boundaries of the consolidated Tuolumne Community Services District would be the boundaries of the current Tuolumne Parks and Recreation District (Attachment 2 and 3).

- E. All tax revenue, adopted services rates, and other revenue now allocated to each of the three existing agencies would be allocated to the consolidated Community Services District.
 - F. In addition to the currently authorized services (sewer, parks and recreation, facilities maintenance, and lighting), it is proposed that the consolidated district would be authorized by LAFCo to provide the following additional services: library services, graffiti abatement, weed and rubbish abatement, maintenance and operation of community facilities, snow removal, funding for area planning commissions, funding for municipal advisory councils, cemetery operation, fire protection, solid waste handling services, and undergrounding of overhead electrical and communication facilities.
 - G. The initial Board of Directors of the consolidated district would consist of seven members with a minimum of three directors each from TCSD and TPRD. New directors to fill expiring terms would be elected at large from within the entire new district.
 - H. All assets and liabilities of each of the three existing agencies would be transferred to the consolidated Tuolumne Community Services District.
 - I. The consolidated district would take over responsibility from the County for the Tuolumne Township Underground Utility District, a district formed for the purpose of undergrounding overhead utility lines using PG&E's Rule 20A undergrounding program.
 - J. Any properties not in the new district currently receiving service by one of the three consolidating districts in the consolidated territory would be added to the district.
5. The Tuolumne Lighting District (TLD) was formed by the Board of Supervisors in 1947 under the State's Highway Lighting District Act of 1941. The TLD is a dependent special district. Currently, the Board of Supervisors act as its Board of Directors. The TLD maintains existing street lighting, pays for electricity use, and installs new lights when needed. While the TLD is included in the consolidation request made by the TCSD and the TPRD, the County Board of Supervisors did not participate in the application for consolidation. Because of this, for the purposes of following consolidation procedures in the Cortese-Knox-Hertzberg Act, the TLD is considered an affected agency.
 6. The application request included the Tuolumne Underground Utilities District (TUUD) in the consolidation request. However, this District is not considered a special district that would be under LAFCo's jurisdiction. It was formed by the Board of Supervisors as part of a Rule 20A contract with Pacific Gas & Electric Company to relocate overhead powerlines to underground locations in the community. Therefore, Tuolumne LAFCo does not have the power to include the TUUD in an approval of consolidation of districts. Furthermore, the Rule 20A credits set aside by PG&E for the County to eventually enact a program of undergrounding projects are most likely not transferrable to another agency, even if a new District establishment has occurred.
 7. Staff has asked for and reviewed detailed financial information from TCSD, TPRD, and TLD. Information regarding each entity's financial information, as well as a general analysis on if the proposed CSD would be financially viable is in Attachment 4.
 8. The applicant has requested a public hearing on this proposal; however, the review is not complete. This purpose of this public workshop is to answer questions on the proposal, to further move the project towards a recommendation.

LATENT POWERS

9. The services that State law allows each special district to provide vary by district type, and can be described as the following:

- a. “Provides” - means that the district is authorized (1) both by LAFCo and State law to provide the service and (2) that the service is currently being provided. These services may continue to be provided by the district.
 - b. “Authorized” - means that the district is authorized by LAFCo and State law to provide the service, but this service is not currently provided by the district. The district has the authorization it needs from the State and LAFCo to begin providing these services at their discretion.
 - c. “Latent” - means that the district is authorized by State law to provide the service but must first gain LAFCo approval before it may begin providing the service.
10. Prior to exercising a latent power, the district must first receive approval from LAFCo. Section 61107(b) states that LAFCo shall not approve a district’s proposal to exercise a latent power if LAFCo finds that another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise the latent power. Section 56824.14(a) states that LAFCo shall not authorize a district to exercise a latent power unless LAFCo determines that the district will have sufficient revenues to carry out the new powers.
11. The application for the formation of the CSD included a request to allow the latent powers listed below. A list of existing entities that provide services within the study area is include in Figure 1. The project analysis will include a review of these latent powers to determine if the new CSD should receive them, under the guidance of 61107(b) Section 56824.14(a) of the CKH (Attachment 4):
- library services
 - graffiti abatement
 - weed and rubbish abatement
 - snow removal
 - funding for area planning commissions
 - funding for municipal advisory councils
 - cemetery operation
 - fire protection
 - solid waste handling services

ZONES/IMPROVEMENT DISTRICTS

12. The Community Services District Law defines “zones,” while the Cortese-Knox-Hertzberg Act describes “improvement districts.” They appear to be referring to the same or similar situation where a portion of a special district is delineated to identify the area in which a different level of services from the rest of the district will be provided. (The State law authorizing county service areas calls them “zones of benefit.”) Section 61001(m) and 61140 defines “zone” as a zone formed to provide different levels of service, provide different facilities, or raise additional revenues within specific areas within a special district.
13. Since the Lighting District’s main source of revenue is property taxes, those funds could only be used around the properties paying for the lighting service, should the TLD be included in the proposed CSD. This can be accomplished by establishing a zone (or improvement district) to keep funds earmarked for lighting to actually stay in the zone where the taxes have been collected. Additionally, a zone (or improvement district) may be established for sewer customers as well, since there is a significant area within the proposed boundary that is not currently served by sewer collection.

CURRENT AND PROPOSED ORGANIZATION

14. Current and proposed services provided by each entity currently and under the proposed consolidation are listed below in Figure 1:

Figure 1 – Current Organization and Applicant Proposed Organization			
Service	Existing Service Provider (agencies proposed for consolidation highlighted in bold)	New District Powers Requested in Application for Consolidation	Service Provider if Consolidation Approved as Proposed
Water supply and distribution	Tuolumne Utility District		Tuolumne Utility District
Sewer collection and disposal	Tuolumne City Sanitary District	Continue to Provide	Tuolumne Community Services District
Storm drainage	County		County
Street maintenance	County & County Service Area 47		County & County Service Area 47
Street lighting	Tuolumne Lighting District		TCSD
Street construction	County		County
Flood control	County		County
Solid waste collection	County (three franchise haulers)	Requesting Authorization	TCSD
Solid water transfer/disposal	County		County
Fire protection	Tuolumne Fire District	Requesting Authorization	TCSD
Police protection	County		County
Ambulance service	CSA 21		CSA 21
Undergrounding of electrical & communication facilities	County (Rule 20A contract with PG&E)	Requesting Authorization	TCSD (assume Rule 20A contract with PG&E)
Parks and recreation	Tuolumne Parks and Recreation District	Continue to Provide	TCSD
Community facilities	Tuolumne Parks and Recreation District	Continue to Provide	TCSD
Financing for area planning commission	County	Requesting Authorization	TCSD
Financing for municipal advisory council	None	Requesting Authorization	TCSD
Libraries	County (Tuolumne Branch Library)	Requesting Authorization	TCSD
Graffiti abatement	County	Requesting Authorization	TCSD
Weed and rubbish abatement	County	Requesting Authorization	TCSD

Figure 1 – Current Organization and Applicant Proposed Organization			
Service	Existing Service Provider (agencies proposed for consolidation highlighted in bold)	New District Powers Requested in Application for Consolidation	Service Provider if Consolidation Approved as Proposed
Snow removal	County	Requesting Authorization	TCSO
Soil conservation	Resource Conservation District		Resource Conservation District
Animal control	County		County
Public transportation	TC Transit Authority		County
Cemeteries	Carters Cemetery District	Requesting Authorization	TCSO

REQUIRED FINDINGS AND PROTEST HEARINGS

15. A proposal for the consolidation of two or more special districts not formed pursuant to the same principal act shall only be approved by the commission if both the following conditions are met:

(1) The commission is able to designate a successor or successors, or form a new district or districts, authorized by their respective principal acts to deliver all of the services provided by the consolidating districts at the time of consolidation.

(2) The commission makes the following determinations:

(a) That a study has been prepared pursuant to Section 56378 or the written statement of determinations specified in Section 56430(a).

(b) Each of the services provided by the districts subject to the proposal will be provided by a successor district.

(c) The public services costs of the proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service.

(d) The proposal that the commission is approving promotes public access and accountability for community services needs and financial resources.

16. Consolidations require a protest hearing after LAFCo's decision just like other changes of organization. Section 57077.2 states that the commission can order a consolidation without confirmation by the voters only if the following protest thresholds are not met. Because Tuolumne Lighting District was not a party to the application, that District has the right to protest the consolidation. Such a protest changes the protest thresholds. The commission shall order the consolidation subject to the confirmation of the voters at an election if:

(1) The Tuolumne Lighting District has not objected to the consolidation, and written protests have been signed by either of the following:

(a) At least 25 percent of the number of landowners within the entire territory subject to the consolidation who own at least 25 percent of the assessed value of land within the territory.

(b) At least 25 percent of the voters entitled to vote as a result of residing within the territory.

OR (2) The Tuolumne Lighting District has objected by resolution to the proposal, and written protests have been signed by either of the following:

(a) At least 25 percent of the number of landowners within any of the three subject agency's affected territories who own at least 25 percent of the assessed value of land within that territory.

(b) At least 25 percent of the voters entitled to vote as a result of residing within the affected territory.

NEXT STEPS

17. The next steps for processing this application include:

- Compiling information discussed during the March 2022 public workshop, including researching any questions arising from the workshop, and scheduling a report back to LAFCo if needed in another workshop format.
- Finalizing the LAFCo staff recommendation regarding the proposal.
- Holding a public hearing on the proposal, which requires a 21-day public notice prior to the hearing.
- After the public hearing, adopting a Resolution of Intent, directing the Executive Officer to provide notice to the affected districts of the Commission's intended decision.
- After at least 30 days, holding another public hearing, if it is requested by one of the affected districts.
- Making the final decision, adopting a Resolution, subject to the protest procedure.
- Facilitating the protest process, and if not enough protests are received to require an election, ordering the consolidation, subject to the Commission's conditions.

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Attachment A – Application Materials

TUOLUMNE COUNTY LOCAL AGENCY FORMATION
COMMISSION (LAFCo)
APPLICATION FOR REVIEW
(Attach additional sheets as necessary)

Date Submitted to LAFCo: September 3, 2020

Applicant/Chief Petitioner Name: Board of Directors of the Tuolumne City Sanitary District and the Tuolumne Park & Recreation District

Mailing Address: Tuolumne City Sanitary District P.O. Box 1238 Tuolumne, California, 95379
ATTENTION: General Manager

Telephone Number: (209) 928-3517; (209) 928-4550 (fax)

Email: Brenda Bonillo, Office Manager - brendatsd@frontier.com

Location of proposed action and street address if known: Within the *Spheres of Influence* of Tuolumne City Sanitary District and the Tuolumne Park & Recreation District

Assessor's parcel number(s): All parcels within the *Spheres of Influence* of the Tuolumne City Sanitary District and the Tuolumne Park & Recreation District

General Plan designation(s) for the subject area: See Tuolumne Community Plan designations

Zoning for the subject area: See Tuolumne Community Plan designations

Acreage of affected area: See Tuolumne Community Plan designations

This proposal is being presented by:

- ☐ Property Owner Request
☒ Resolution of Governing Body
☐ Petition of Landowners in Voting District
☐ Petition of Residents in Voting District
☐ Other (specify) _____

1.) **Purpose of Proposal.** The purpose of the proposal is to merge the Tuolumne City Sanitary District (TCSD), the Tuolumne Park and Recreation District (TPRD), the Tuolumne Lighting and Landscape District (TLALD) and the Tuolumne Underground Utility District (TUUD) to form the Tuolumne Community Services District. In addition, the application also requests that certain *latent powers* also be assigned to the proposed new district (see attached resolution).

2.) **Explain how the proposal provides more logical boundaries and/or improves the provision of services.** The merger and consolidation under Community Services District law (Government

Code §61000 – 61850) will provide for better and more consistent services to the community by offering the capability of better management oversight, cost sharing, and property tax funding to support local programs. The proposal will also reduce overhead and administrative costs for the respective agencies.

3.) **Identify other actions as part of the overall project.** There are no other actions such as a development permit that are required to process this application.

4.) **Describe any conditions that should be included in a LAFCo resolution of approval.**

Conditions required to be included in the LAFCo Resolution of Approval:

- See attached Exhibit A – Map of proposed Tuolumne Community Services District identifying all current TPRD / TCSD properties as the new Community Services District's boundaries
- See attached Exhibit B – Approval of the *Latent Powers* listed in the Exhibit
- That all tax and other revenue now allocated to each existing agency is allocated to the Tuolumne Community Services District
- That LAFCo assign the Gann Appropriations Limit to the Tuolumne Community Services District
- That the initial Tuolumne Community Services District Board of Directors consist of seven (7) members from the TPRD and TCSD Board of Directors with a minimum of three directors from each agency
- That all assets and liabilities of each existing agency are transferred to the Tuolumne Community Services District.

5.) **Existing land uses within the proposal area.** See attached Exhibit C for a map of land uses in the Tuolumne Community Services District service area

6.) **Proposed land uses that would result from the proposal.** There are no proposed land use changes requested as part of this application.

7.) **General Plan and Zoning conformity.** The application is consistent with the General Plan and Zoning ordinance and proposes no changes as a result of the application.

8.) **Is a development plan currently under consideration or has it already been approved.** This is not a development plan but rather a reorganization and does not require approvals by other agencies.

9.) **Describe the area surrounding the proposal.** The area surrounding the proposal will not change as a result of this reorganization and no new development is proposed.

10.) **List all urban services which are currently provide.** A list of Urban Services is as follows:

<u>SERVICE</u>	<u>CURRENT AGENCY</u>	<u>PROPOSED AGENCY</u>
Police	County of Tuolumne - Sheriff	County of Tuolumne - Sheriff
Fire	Tuolumne Fire District	Tuolumne Fire District (CSD Latent Power)
Water	Tuolumne Utilities District	Tuolumne Utilities District

Sewer	Tuolumne City Sanitary District	Tuolumne Community Services District (New)
Street Lighting	County of Tuolumne	Tuolumne Community Services District (New)
Road Maintenance	County of Tuolumne	County of Tuolumne
Parks & Recreation	Tuolumne Park & Recreation District	Tuolumne Community Services District (New)
Underground Utilities	County of Tuolumne	Tuolumne Community Services District (New)
Cemetery	Carters Cemetery District	Carters Cemetery District (CSD Latent Power)

11. **The proposal area Sphere of Influence.** The proposal is within the sphere of influence of each of the agencies.

12. **Physical features of proposal area and area surrounding the proposal.** Not Applicable. No development plan is proposed.

13. **Commercial agriculture site.** Not Applicable.

14. **Prime agriculture land.** Not Applicable.

15. **Land conservation act contract.** Not Applicable.

16. **What other properties should be included in the proposal.** Any properties currently receiving service or within the service area of the Tuolumne City Sanitary District and/or the Tuolumne Park & Recreation District that are not contributing property taxes to those districts.

17. **Describe the level and range of services to be extended.** No additional services not already provided are proposed to be extended.

18. **When can the services be provided.** Not applicable. See response to number 17 above.

19. **Required upgrades of structures, roads water or sewer facilities, or other conditions.** Not applicable.

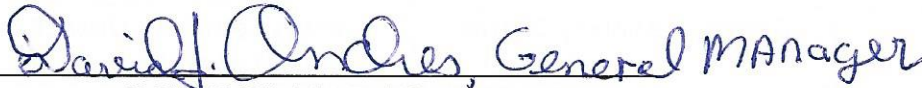
20. **Describe how these services will be financed.** Not applicable. See response to number 19 above.

21. **Statement describing the ability to provide services (per Government Code § 56668 j).**
Both the current agencies are existing districts that are actively providing services to the community of Tuolumne. The combined community services district will be in an even better position to provide services.

22. **Current landowners for boundary change.** Not applicable.

Certification

I hereby petition Tuolumne County Local Agency Formation Commission to consider and approve this proposal. I certify that I am the duly appointed representative of the entity submitting the application. I further certify that the information provided in this application and attachments is true and accurate to the best of my knowledge. I agree to pay any fees and expenses required to process my application, including LAFCo fees and the cost to prepare any necessary environmental documentation and planning studies.

 *David J. Andres, General Manager*

SIGNATURE OF APPLICANT

David J. Andres, Tuolumne City Sanitary District General Manager

Name and Title of Applicant

In addition to the applicant, I (We) request LAFCo furnish copies of Staff Reports or Notices of Hearings to the following (not to exceed two names):

NAMES

EMAIL ADDRESS

PHONE

David J. Andres

djand@comcast.net

(916) 390-0785

Board of Directors, Tuolumne P & R District tuolumnepark@frontiernet.net (209) 928-1214

STAFF USE

Fees Collected:

LAFCo Processing ----- \$ _____

State Board of Equalization

Filing ----- \$ _____

**JOINT RESOLUTION OF THE
TUOLUMNE CITY SANITARY DISTRICT
AND THE
TUOLUMNE PARK & RECREATION DISTRICT
for the Reorganization and Application to
the Tuolumne County Local Agency Formation Commission
(Under Government Code Sections 56000 et. seq. as may be amended)**

Tuolumne City Sanitary District Resolution No. 2020-05
Tuolumne Park & Recreation District Resolution No. 2020-01

**AGREEMENT TO SUBMIT PLAN TO LAFCO TO DISSOLVE
THE TUOLUMNE CITY SANITARY DISTRICT AND
THE TUOLUMNE PARK & RECREATION DISTRICT
AND REORGANIZE INTO THE
TUOLUMNE COMMUNITY SERVICES DISTRICT
AND TO TRANSFER EACH DISTRICT'S ASSETS
TO THE NEW DISTRICT**

The Board of Directors of the Tuolumne Park and Recreation District and the Tuolumne City Sanitary District hereby approve the following:

1. **Reorganization Plan:** The attached Agreement, provided as "*Attachment A*" and its contents are incorporated herein by reference and are hereby adopted as a plan of reorganization, with the changes of organization consisting of the dissolution of the Tuolumne Park & Recreation District and Tuolumne City Sanitary District and the formation of a Community Services District as more particularly set forth in said Agreement. The terms and conditions of the reorganization are also set forth in the Agreement.
2. **LAFCo Application:** Application is hereby authorized and made to the Local Agency Formation Commission of Tuolumne County (LAFCo) for the reorganization consisting of the dissolution of the Tuolumne Park & Recreation District, the Tuolumne City Sanitary District, the Tuolumne Lighting & Landscape District, and the Tuolumne Underground Utility District and the formation of a Community Services District to be known as the Tuolumne Community Services District, pursuant to Community Services District law, Section 61000 et. seq. of the Government Code. LAFCo is hereby requested to take proceedings for the proposed reorganization pursuant thereto. The proposal is consistent with the sphere of influence of each of the districts. The General Manager of the Tuolumne City Sanitary District is hereby authorized to spend up to \$55,000 of District property tax funds to make application and conduct other necessary and related activities to in order to form a Community Services District.
3. **Dissolution of Existing Agencies:** This Agreement proposes to dissolve the Tuolumne Park & Recreation District, the Tuolumne City Sanitary District, the Tuolumne Lighting & Landscape District, and the Tuolumne Underground Utility District and create a Community Service District with the same exterior boundaries as Tuolumne Park & Recreation District and

Tuolumne City Sanitary District.

4. **Latent Powers:** means those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (h) of Section 56425, that a district did not provide prior to January 1, 2006. The participating agencies hereby request that the following latent powers be subscribed to the Tuolumne Community Services District: 1.) Provide library services, in the same manner as a library district formed pursuant to either Chapter 8 (commencing with Section 19400) or Chapter 9 (commencing with Section 19600) of Part 11 of the Education Code. 2.) Abate graffiti. 3.) Acquire, construct, improve, maintain, and operate community facilities, including, but not limited to, community centers, libraries, theaters, museums, cultural facilities, and childcare facilities. 4.) Abate weeds and rubbish pursuant to Part 5 (commencing Section 14875) of the Health and Safety Code. For that purpose, the board of directors shall be deemed to be a “board of supervisors” and district employees shall be deemed to be the “persons” designated by Section 14890 of the Health and Safety Code. 5.) Remove snow from public streets, roads, easements, and rights-of-way. A district may remove snow from public streets, roads, easements, and rights-of-way owned by another public agency, only with the written consent of that other public agency. 6.) Finance the operations of area planning commissions formed pursuant to Section 65101 of the Government Code. 7.) Finance the operations of municipal advisory councils formed pursuant to Section 31010 of the Government Code. 8.) Own, operate, improve, and maintain cemeteries and provide interment services, in the same manner as a public cemetery district, formed pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code. Cemetery. 9.) Fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law, part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code. 10.) Collect, transfer, and dispose of solid waste, and provide solid waste handling services, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.
5. **Selection of Directors:** The first Board of Directors shall consist of seven (7) Board Members with at least three (3) Board members each from the Tuolumne Park and Recreation District and Tuolumne City Sanitary District. The first Board of Directors shall be selected as follows: 1.) Each current Board Member of a joining agency wishing to serve on the Board of Directors of the new Community Services District shall place their name in a hat; 2.) If there are more names than available Board Seats a neutral third-party will draw names until all seats are selected; 3.) If there are fewer names than Board Seats available all names submitted will be placed on the Board of Directors and the remaining empty Board Seats shall be filled by a vote of the Seated Board Members after advertising for the vacancy or vacancies; 4.) If there are an equal number of names for the Board Seats available all names submitted will be placed on the Board of Directors. District Directors for the Community Services District shall be elected “at large” meaning the election of members of the board of directors shall be by the voters of the entire district for all subsequent elections. Board Members initially serving on the Tuolumne Community Services District may only serve for the remaining term of office from their previous agency.

6. **Certify & File:** The Tuolumne City Sanitary District Secretary is directed to file a certified copy hereof, together with a copy of said executed Agreement, with Tuolumne County LAFCo.

PASSED AND ADOPTED this 5th of August 2020 (TCSD) and 26th of August 2020 (TPRD) by the member agencies listed below.

Tuolumne Park & Recreation District

AYES: Jake Feriani, Cliff Marchetti,
TY Atkins and Darrin Evans

NOES: Aaron Rasmussen

ABSENT: None

ABSTAIN: None

SIGNED:



Jake Feriani, Board President

Tuolumne City Sanitary District

AYES: John Feriani, William Beaudry,
Jason Hart and William Waters

NOES: None

ABSENT: Wren Easter

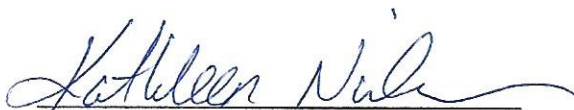
ABSTAIN: None

SIGNED:



John Feriani, Board President

ATTEST:



Kathleen Nielsen, District Clerk

ATTEST:



Brenda Bonillo, District Secretary

EXHIBIT A

AGREEMENT TO SUBMIT PLAN TO LAFCO TO DISSOLVE THE TUOLUMNE PARK & RECREATION DISTRICT AND TUOLUMNE CITY SANITARY DISTRICT AND TO FORM A NEW COMMUNITY SERVICE DISTRICT AS THEIR SUCCESSOR; AND TO TRANSFER ALL ASSETS TO THE NEW DISTRICT

THIS AGREEMENT is entered into by and between TUOLUMNE PARK & RECREATION DISTRICT and the TUOLUMNE CITY SANITARY DISTRICT, this 5TH day of AUGUST 2020.

RECITALS

TUOLUMNE PARK & RECREATION DISTRICT

TUOLUMNE PARK & RECREATION DISTRICT (TPRD) was formed under the California Public Resources Code Sections 5780 et seq. The purpose of the District is to provide park maintenance and recreation services to the Community of Tuolumne.

ADMINISTRATION

The TPRD is governed by a five-person Board of Directors elected by the registered voters within the district. The general manager is appointed by the Board of Directors.

OUTSTANDING INDEBTEDNESS/CONTRACTS TO PROVIDE SERVICE/ LEASES

The TPRD currently has no outstanding debt and a contract to provide maintenance services with the County of Tuolumne.

INCOME

TPRD income is derived from property taxes and fees for service.

ORGANIZATION

The TPRD consists of park maintenance employees and office staff.

LAWS & REGULATIONS

The TPRD currently operates under the California Public Resources Code commencing with Section 5780. The Board of Directors run the district within the ordinances and resolutions in effect.

DETERMINATIONS

TPRD has determined that there will be no increase in costs for park and recreation services due to the reorganization of the district.

TUOLUMNE CITY SANITARY DISTRICT

The TUOLUMNE CITY SANITARY DISTRICT (TCSD) was formed in July 1941 under the California Health & Safety Code Sections 6400 et seq. The purpose of the District is to provide sewer and reclaimed water services to the District's service area within the Community of Tuolumne.

ADMINISTRATION

The TCSD is governed by a five-person board of directors elected by the registered voters within the district. The part-time contract general manager is appointed by the Board of Directors. The District operates with five fulltime employees.

OUTSTANDING INDEBTEDNESS / CONTRACTS TO PROVIDE SERVICE / LEASES

The TCSD currently has approximately \$4.6 million in outstanding debt in the form of a United States Department of Agriculture (USDA) Rural Utility Services (RUS) *Certificates of Participation*. Annual payments for principal and interest are approximately \$185,000 per year. Such debt shall be repaid through user fees and service charges collected by the District on sewer customers. The TCSD has a forty (40) year agreement to dispose of treated effluent at Baker Ranch. The district has no other outstanding contracts or lease agreements.

INCOME

TCSD income is derived from fees for service, property taxes and other miscellaneous sources. Grants are being used to fund capital improvements. The TCSD Budget for the 2020-21 Fiscal year is estimated to be approximately \$9.8 million including capital construction costs. The operating budget is approximately \$1.4 million.

ORGANIZATION

Currently the District budgets five (5) full-time equivalent (FTE) employees along with a part-time contract General Manager and a part-time contract District Engineer. The fulltime employees include the District Secretary/Office Manager, the Chief Plant Operator, two full-time Wastewater Operator II positions and one full-time Wastewater Operator I. The District's operating budget for the 2020-21 Fiscal Year is approximately \$1.4 million.

LAWS & REGULATIONS

TCSD currently operates under the California Health and Safety Code commencing with section 6400. The Board of Directors run the district within the ordinances and resolutions in effect.

DETERMINATIONS

TCSD has determined that there will be no increase in costs for sewer services due to the reorganization of the district. The staff will stay the same and property tax revenue will be available to support the reorganization.

PROPOSED TUOLUMNE COMMUNITY SERVICE DISTRICT

A community services district would operate under Community Services District law as required under Section 61000 et seq. of the Government Code and the new board of directors, which would initially consist of seven (7) members chosen from the existing boards, would be charged with creating an ordinance to govern the new "*Tuolumne Community Services District*". As used in this agreement, the terms "new district" and "new successor district" shall mean the proposed *Tuolumne Community Service District*.

The new District shall operate as individual departments until such time as the new Board of Directors appoints a Tuolumne Community Services District General Manager or Interim General Manager. The first meeting of the new district Board of Directors will include, but not be limited to, the following agenda items: consideration of the appointment of a General Manager and/or an Interim General Manager, an ordinance to establish the day, time, and location for Regular Board Meetings, direct that an inventory of all district fixed assets and properties be initiated, the establishment of the District's headquarters and mailing address and a discussion on what the next steps in the reorganization will be.

Financial Operation

The District will operate under their previously approved budgets until such time as modified by the Tuolumne Community Services District Board of Directors.

DETERMINATION

The governing Boards of the above listed agencies have resolved to pursue a consolidation of individual functions of each agency, pursuant to this Agreement, which provides for:

1. Submission of a joint proposal to the Tuolumne County Local Agency Formation Commission (LAFCo) to dissolve the Tuolumne Park and Recreation District, the Tuolumne City Sanitary District, the Tuolumne Lighting & Landscape District, and the Tuolumne Underground Utility District and to create a new successor district, upon approval by LAFCo, with all assets and liabilities of the former agencies succeeding to the new Community Services District; and
2. The Parties hereby agree to transfer all of their interests, property, equipment, assets, and related liabilities to the new district upon LAFCo approval.

NOW THEREFORE, THE TUOLUMNE PARK AND RECREATION DISTRICT AND TUOLUMNE CITY SANITARY DISTRICT DECLARE AS FOLLOWS,

The governing Boards of the agencies listed above, collectively known as the "Parties", agree to the terms and conditions below:

1. Submission of a joint proposal to the Tuolumne County Local Agency Formation Commission (LAFCo) to dissolve their respective District and to create a new successor "Tuolumne Community Services District", upon approval by LAFCo, which new district would be the successor to all assets and liabilities of the former Districts; and
2. The cost of the application to the Local Agency Formation Commission shall be paid by the Tuolumne City Sanitary District.
3. The transferring of all of its properties, equipment and assets and related liabilities, to the new district.

NOW THEREFORE, THE DISTRICTS NAMED ABOVE FURTHER AGREE TO FORM A COMMUNITY SERVICES DISTRICT UNDER THE PROCEDURES OUTLINED BELOW AS FOLLOWS:

1. **Agreement to Consolidate.** The parties hereto agree to carry out a plan to consolidate their current organizations, personnel, and assets, including but not limited to, real property, equipment, vehicles, tools, and all items owned by the respective agency, as hereinafter set forth.
2. **The Procedure.** Each of the parties shall jointly adopt a resolution to submit and shall authorize submittal to the Tuolumne County Local Agency Formation Commission (LAFCo) an application for a reorganization (under the CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000 as may be amended), to dissolve their agency and to form a new district under the Community Service District Law (Section 61000 of the Government Code) subject to the approval by LAFCo.
 - a. The boundaries of the successor district shall include all of the territory within Tuolumne Park and Recreation District and Tuolumne City Sanitary District.
 - b. The new Board of Directors of the Tuolumne Community Services District would be made up of directors from the participating agencies with a minimum of three (3) directors appointed from each district.
3. **Transfer of Asset and Liabilities to New District.** The terms and conditions of such reorganization shall provide that if the current agencies are dissolved and the new successor district is formed, all of the existing assets and liabilities of the districts shall be transferred to the new district. By way of general description, these include, but are

not limited to, the assets and liabilities described in the most current year-end audit reports and as may be identified in the agency's insurance coverage and inventory report(s). All districts agree to authorize the execution of a conveyance and transfer in a form agreed to by agency legal counsels, for delivery to the new district upon its formation. The transfers and assignments shall be for no consideration, except that the liability for the obligations of the previous agency that pertain to such properties shall be transferred to the new district. The parties agree that LAFCo can provide that the dissolution of the districts and formation of the new district shall be conditioned upon the transfer of said assets, properties, liabilities, and obligations of the districts to the new district. Each district agrees to cooperate with and to assist the new district following such transfer to assure that the objects of the consolidation and this Agreement are carried out and achieved.

4. **Transfer of Tax Revenues.** The tax revenues now allocated to each agency shall be allocated to the new district upon its formation, pursuant to applicable provisions of the Government Code. This shall also include the transfer of any special tax.
5. **Gann Appropriations Limit of New District.** LAFCo will determine the Gann limit for the Community Services District.
6. **Plan to Provide Services.** The plan for providing services, which must accompany any resolution of application to LAFCo for a reorganization is as follows:
 - a. The services to be immediately provided in the territory of the new district are park & recreation services and sewer services that are currently being provided by the existing agencies within their service territories. Thereafter such services may be as from time to time extended or expanded as required. The services will be provided from all revenue sources available to the new district, including sewer charges, taxes, fees, grants, and any other available sources of revenues.
 - b. No improvement or upgrading of structures, roads, sewer facilities, park facilities or other conditions would be imposed or required within the new district if the reorganization is completed.

- c. Rates, regulations, policies, and procedures in existence immediately prior to the effective date of the new district shall continue until changed by action of the Board of Directors of the newly created district.
- d. The District Secretary functions shall be performed by the former Tuolumne City Sanitary District employee.

7. **Provisions Pertaining to the Personnel of the Agencies.**

- a. **Employment Status:** All regular and probationary employees of the agencies existing on the day prior to the effective date of consolidation shall become employees of the new district if formed.
- b. **Compensation:** Employees of the new district shall be compensated in base pay and other compensation at a rate not less than the compensation received from their respective agency on the day prior to the effective date of consolidation.
- c. **Seniority:** Employee seniority in the new district shall be established by the date of hire in their respective fields of employment with the prior agency.
- d. **Retirement:** Employees of the new district shall have a retirement benefit in the existing retirement programs offered by the prior agency with each provision of existing contracts being provided, if not prohibited, for all qualifying employees under the new district until modified by the Board of Directors.
- e. **Health Benefits:** All existing health benefit programs of the prior agencies in effect on the day prior to the effective date of consolidation shall be continued under the provisions of the existing coverage, if not prohibited, until modified by the Board of Directors. Funds for payment of three months of existing policy premiums shall be approved and reserved by the prior agencies for their respective employees upon approval of this agreement.
- f. **Accruals:** Vacation, sick leave, and holiday time of each employee of each prior agency employee on the day prior to the effective date of consolidation shall be fully funded in a reserve account by the prior agency for their

respective employees upon approval of this agreement. Each prior agency shall cash out all accrued compensatory time-off for each of their employees prior to transfer to the new district.

- g. **Transition:** On the effective date of the new district all employees of prior agencies will retain their current positions and reporting relationships, except that the General Manager or Interim General Manager, who will report to the Board of Directors. It is expected that the new Board will approve an integrated organization plan early in its tenure.
- 8. **Third Party Beneficiary.** The Parties further agree that this Agreement and its obligation to transfer agency properties and assets herein provided for is intended for the benefit of the new district which is a beneficiary of this provision, and that the new district shall have the right to specifically enforce this provision.
- 9. **Right of Termination.** In the event that the plan of and the terms for the proposed consolidation, as set forth herein, are significantly altered in the LAFCo process, in the opinion of any party to this Agreement, that party shall have the right to withdraw from, or modify its support of the proposed consolidation.
- 10. **Sharing Costs of Consolidation Proceedings.** Administrative costs incurred internally by the participating agencies shall be borne by the incurring party. External hard costs such as LAFCo and state fees shall be paid by the Tuolumne Sanitary District from property taxes.
- 11. **Effective Date of New District.** The parties' objective is that upon a positive approval from LAFCO supporting reorganization the new district shall become effective July 1, 2021, or as soon thereafter as practical and agreed among the Parties.

Exhibit A Community Services District Map

Tuolumne Community Plan

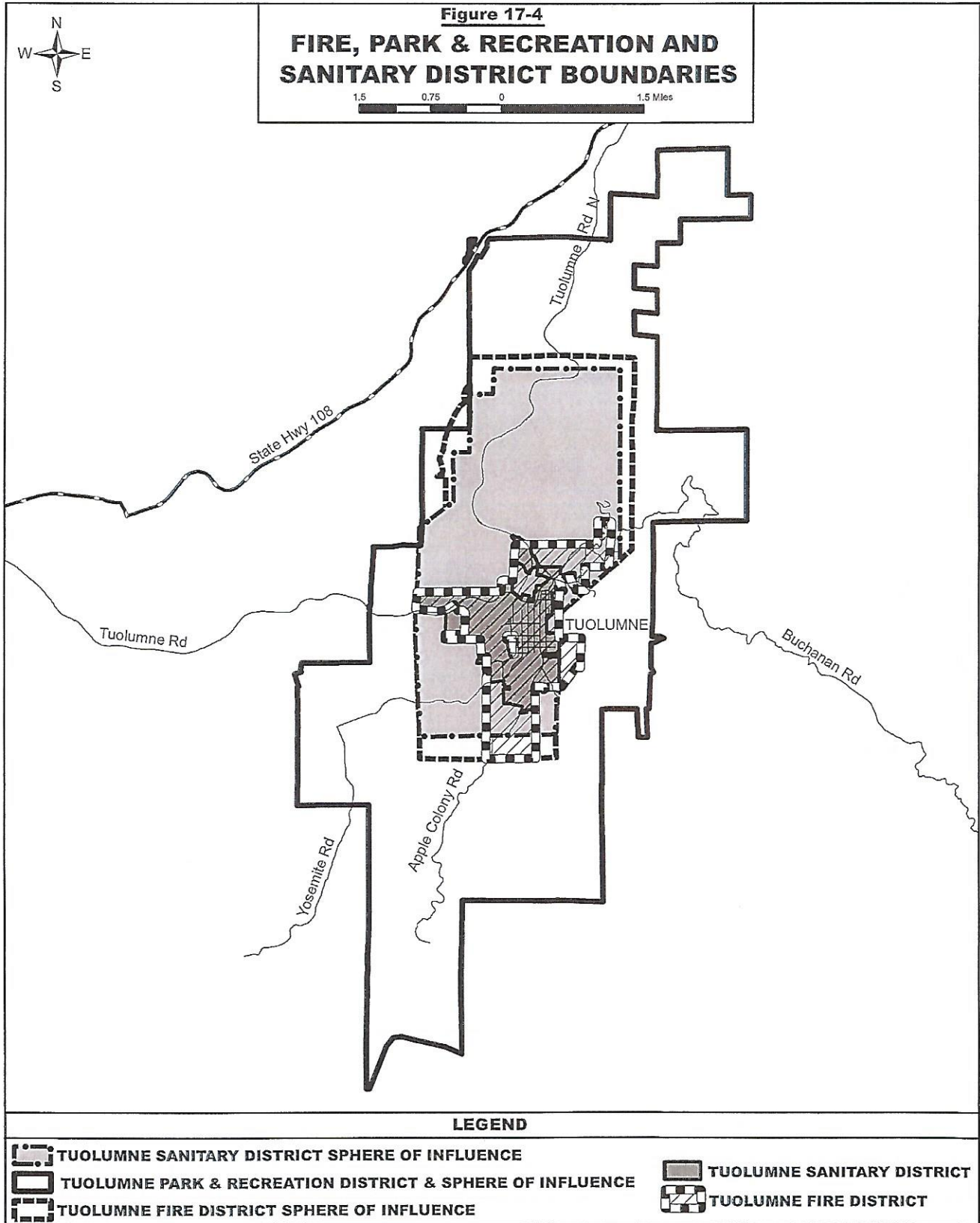
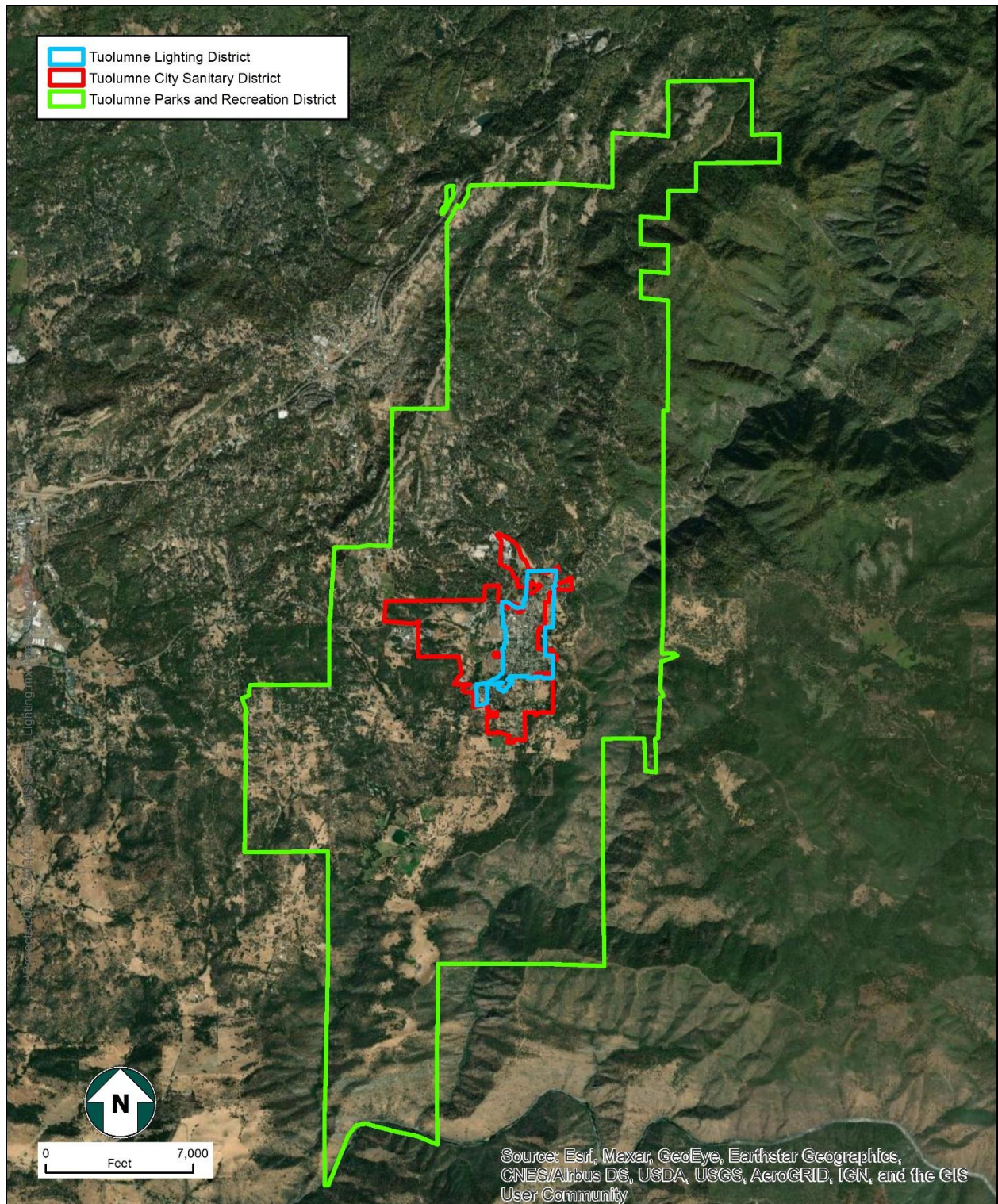


EXHIBIT B

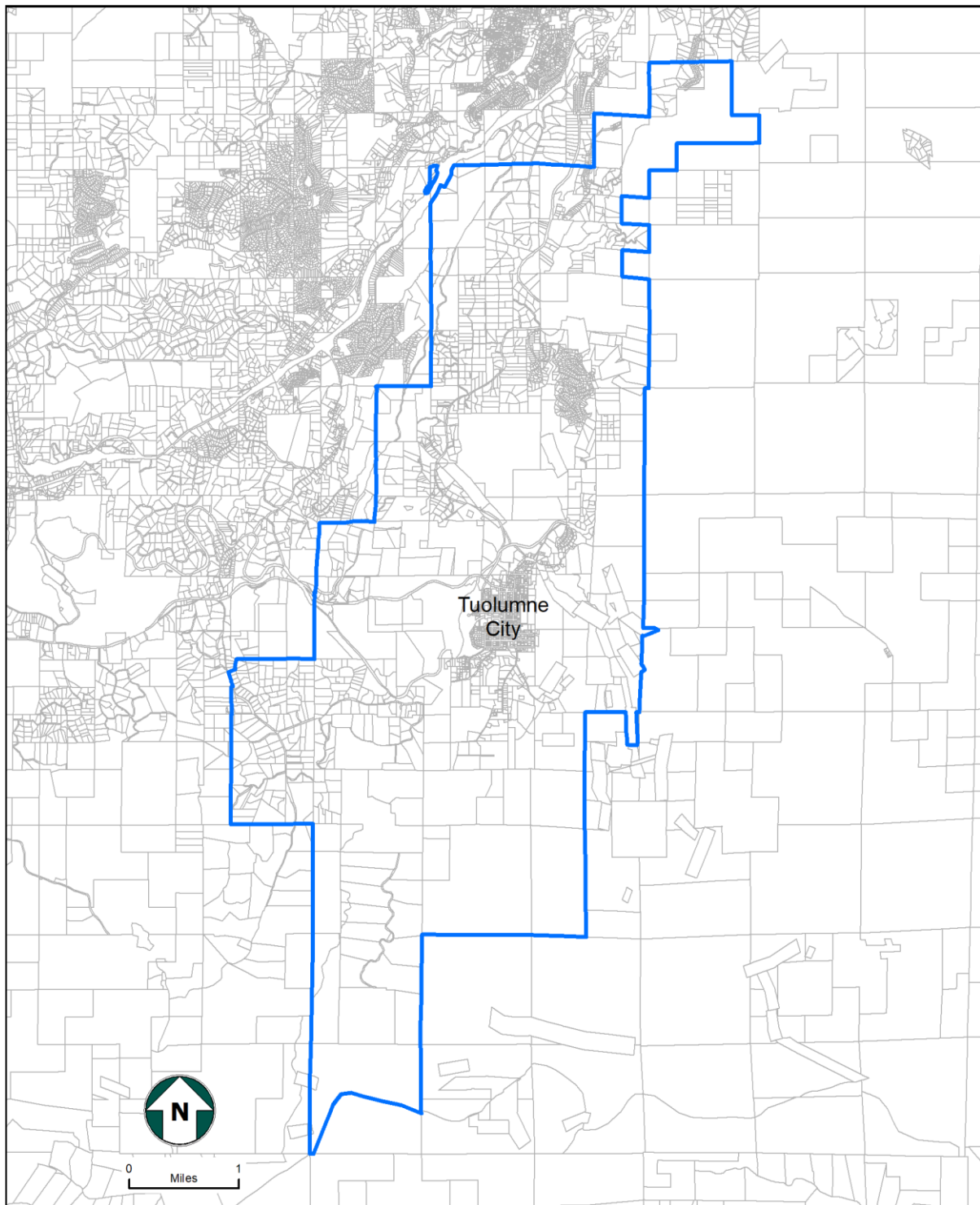
LATENT POWERS

Latent Powers: means those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (h) of Section 56425, that a district did not provide prior to January 1, 2006. The participating agencies hereby request that the following latent powers be subscribed to the Tuolumne Community Services District: 1.) Provide library services, in the same manner as a library district formed pursuant to either Chapter 8 (commencing with Section 19400) or Chapter 9 (commencing with Section 19600) of Part 11 of the Education Code. 2.) Abate graffiti. 3.) Acquire, construct, improve, maintain, and operate community facilities, including, but not limited to, community centers, libraries, theaters, museums, cultural facilities, and childcare facilities. 4.) Abate weeds and rubbish pursuant to Part 5 (commencing Section 14875) of the Health and Safety Code. For that purpose, the board of directors shall be deemed to be a "board of supervisors" and district employees shall be deemed to be the "persons" designated by Section 14890 of the Health and Safety Code. 5.) Remove snow from public streets, roads, easements, and rights-of-way. A district may remove snow from public streets, roads, easements, and rights-of-way owned by another public agency, only with the written consent of that other public agency. 6.) Finance the operations of area planning commissions formed pursuant to Section 65101 of the Government Code. 7.) Finance the operations of municipal advisory councils formed pursuant to Section 31010 of the Government Code. 8.) Own, operate, improve, and maintain cemeteries and provide interment services, in the same manner as a public cemetery district, formed pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code. Cemetery. 9.) Fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law, part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code. 10.) Collect, transfer, and dispose of solid waste, and provide solid waste handling services, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.

Attachment 2 – Existing District Boundaries



Attachment 3 - Proposed Tuolumne Community Service District Boundaries



Attachment 4 - Review of Current Service Levels

Sewer Services Provided by the Tuolumne City Sanitary District

The Tuolumne City Sanitary District (TCSD) provides sewer service to the 1,583 residents in the unincorporated community of Tuolumne City (United States Census Bureau, 2021). This sewer service includes the 2,060 sewer equivalent dwelling units (EDU's) to include 777 connections consisting of residential, commercial, Black Oak Casino Resort, Tuolumne Rancheria (Tuolumne Band of Me-Wuk Indians), and three schools. The TCSD collection system comprises approximately 10 miles of 4- to 15-inch diameter pipe and one lift station consisting of a wet well and two 250-gpm pumps. The Black Oak Casino owns and operates a lift station and force main that transports casino wastewater to the TCSD's sewer system. The lift station is controlled to prevent hydraulic surges to the TCSD's collection system (Blackwater Consulting Engineers, Inc., 2018). Figure 1-1 shows revenues and expenditures from 2017 to 2019.

Table 1-1
Tuolumne City Sanitary District – 2019 Revenue and Expenditures

Revenue	
Service Charges Sewer Enterprise Fund	\$1,365,857
Investment Earnings Sewer Enterprise Fund	\$81,245
Current and Unsecured Sewer Enterprise Fund	\$74,785
Connection Fees Sewer Enterprise Fund	\$7,200
Gain on Disposal of Capital Assets Sewer Fund	\$2,384
Homeowner's Property Tax Relief Sewer Enterprise Fund	\$818
Total	\$1,532,289
Expenditures	
Depreciation and Amortization Expense Sewer Enterprise Fund	\$398,733
Personnel Services Sewer Fund	\$327,594
Treatment and Disposal Sewer Enterprise Fund	\$236,828
Interest Expense Sewer Enterprise Fund	\$88,278
Contractual Services Sewer Enterprise Fund	\$55,825
Materials and Supplies Sewer Enterprise Fund	\$34,196
Total	\$1,149,060
Surplus	\$383,229

Source: (California State Controller's Office, 2021)

The current rate structure for sewer services is collected as an assessment on the annual property tax bill. Currently, the monthly sewer service fee is \$52.75 per EDU (Tuolumne City Sanitary District, 2021). Table 1-2 describes other fees for service that are charged as needed.

**Table 1-2
TCSD Fee Schedule**

Service	Cost
Private lateral inspection (New Construction, Private System Repair/Replacement)	\$60 Flat Fee
Private lateral testing, video inspection, repair	\$60 per hour, per person
Administrative labor (billing rate for special and development agreement preparation, processing ordinance violations, annexation, Discharge Permit preparation, etc.)	\$30 per hour
Discharge Permit – annual administration	\$90
Construction inspection- new construction (public or private systems)	\$60 Flat Fee
Construction labor (system damage repair, install cleanouts, repair private lateral, flagging, etc.)	\$60 per hour, per person
Ordinance enforcement actions (field labor)	\$60 per hour, per person
Equipment (Billed in addition to labor)	Cost
Flush/Vacuum Truck	\$50 per hour, two-hour minimum
Service vehicle	\$20 per hour
Sewer Camera	\$50 per hour
Contracted/other Services	Cost
Engineering	At cost billed to District
Legal Counsel	At cost billed to District
Annexation	At cost billed to District
Environmental Review	At cost billed to District

The TCSD does not currently have plans to extend its service area. In the event the TCSD extends its service area, it will do so by passing the expense onto the customer or utilizing grant funding if any becomes available in the future. However, the TCSD has currently planned to improve its service through a series of projects outlined in their Capital Improvement Plan. The Capital Improvement Plan (CIP) outlines major capital expenditures and the District's goals and objectives for the collection system spanning a 20-year planning period. The CIP prioritizes projects by necessity and provides an opportunity to either consolidate small projects into one major project or to split large projects into smaller projects for planning purposes. Refer to Table 1-3 for the planned improvement projects (Tuolumne City Sanitary District, 2018).

**Table 1-3
2018 Capital Improvement Projects**

Project No.	Description	Estimated Cost
1	Carter Subbasin C1 Sewer Improvements	\$2,138,752
2	Carter Subbasin C40 Sewer Improvements	\$1,123,223
3a	Willow Subbasin W27 Sewer Improvements	\$866,586
3b	Willow Subbasin W27 Sewer Improvements	\$661,175
4	Willow Subbasin W1 Sewer Improvements	\$568,895
5	Willow Subbasin W61 Sewer Improvements	\$1,387,684

6	Apple Colony Subbasin A1 Sewer Improvements	\$1,383,310
7	Apple Colony Subbasin A9 Sewer Improvements	\$1,450,020
8	Tuolumne Subbasin M1 Sewer Improvements	\$668,740
9	Apple Colony Lift Station Improvements	\$1,600,000
Total		\$11,848,385
	Contingency	\$1,777,258
	Engineering/Design/Administration	\$1,481,048
	Construction Management	\$1,066,355
	Compaction Testing and Traffic Control	\$108,000
	Mobilization and Demobilization	\$35,000
Budgeted Expenditure Total		\$16,316,046

Source: Tuolumne City Sanitary District, 2018

The Tuolumne City Sanitary District has board meetings every month and posts the date, time, location, and agenda on the District's website. TCSD also posts a link to the State Controller's Office to include the CIP plans on their website as well, demonstrating financial and operational transparency. The District appears to be effective in budgeting its finances and has a consistent surplus in the budget from 2017 to 2019.

Parks and Recreation Services Provided by the Tuolumne Parks and Recreation District

The Tuolumne Parks and Recreation District (TPRD) office is located at 18603 Pine Street and has a service area of approximately 13,652 acres, much larger than the area of Tuolumne City. The following is a list of properties owned and maintained by TPRD:

- Depot Park Horseshoe Courts
- Tot Lot Playground and Depot Parking Lot west of West Side Memorial Park
- Depot Park - Basketball Courts, Skateboard Park, Historical #2 Train Display
- Lot P
- Tuolumne Community Garden
- Reid Park
- Ralph's Station
- Willow Avenue Ball Field
- TPRD office
- APN 9-133-12 (less than 10 sq. ft. in area)
- APN 9-133-24 (less than 10 sq. ft. in area)
- APN 87-010-02 (approximately 40 acres)
- Two-mile right of way agreement with Bureau of Land Management

The following are public park facilities owned by Tuolumne County and maintained by TPRD:

- Tuolumne Memorial Hall
- West Side Memorial Park
- Jerry Whitehead Sr. Ball Field
- Tuolumne Youth Center/Library
- Two islands part of the Summerville Commons (one at the intersection of Pine Street and Fir Avenue and the other at the intersection of Tuolumne Road and Carter Street)

The District's revenues and expenditures in 2019 are shown in Table 1-4.

The TPRD has a rate fee schedule for a series of events that it hosts and a \$30 fee to utilize the Tuolumne Community Garden. However, there does not appear to be a rate fee schedule for the formation of sports leagues and facilities to host the various sports leagues.

Table 1-4
Tuolumne Parks and Recreation District – 2019 Revenue and Expenditures

Revenue	
Current Secured and Unsecured General Fund	\$171,860
Charges for Current Services	\$100,000
Other Revenues	\$18,678
Rents, Leases, Concessions, and Royalties	\$8,260
Investment Earnings	\$4,061
Homeowner's Property Tax Relief	\$1,878
Total	\$304,737
Expenditures	
Salaries and Wages	\$161,168
Services and Supplies	\$93,549
Employee Benefits	\$51,357
Total	\$306,074
Surplus	-\$1,337

Source: (California State Controller's Office, 2021).

The TPRD rate fee schedule for the parks and public facilities, owned by Tuolumne County, are as follows:

1. Fees are paid for little league baseball annually
2. Non-profit organizations may use the County facilities at no cost.
3. Private organizations or people may use the facilities with an advanced payment of \$25 per day.
 - a. An additional \$3 an hour for facilities without kitchens.
 - b. An additional \$8 an hour for facilities with kitchens.

According to the 2013 Municipal Service Review, due to the level of development planned for the Tuolumne area, improvements to the park and recreation facilities may be required for build-out within the TPRD and sphere of influence. Due to land availability, land use designation, and public utilities, the TPRD should expect continued development within its boundaries.

The Tuolumne Parks and Recreation District conducts its board meetings monthly and posts the date, time, location, as well as the agenda and meeting minutes on their website. The District also publishes its annual expenditure and revenue made for the year. According to the State Controller's Office, the TPRD had a higher revenue than expenditure in 2018. However, in 2017 and 2019, the TPRD had higher expenditures and a lower revenue resulting in the District over-extending its financial resources.

The TPRD has a rate fee schedule for events that it hosts and a fee for utilizing the Tuolumne Community Garden.

Lighting Services Provided by the Tuolumne Lighting District

The Tuolumne Lighting District is a dependent special district with a board of directors made up of the County Board of Supervisors and a staff of County employees. The District was formed to provide street lighting services to Tuolumne City. The 2019 revenues and expenditures are shown in Table 1-5.

**Table 1-5
Tuolumne Lighting District – 2019 Revenue and Expenditures**

Revenue	
Current and Unsecured Funds	\$34,244
Investment Earnings	\$7,576
Homeowner's Property Tax Relief	
Total	\$42,190
Expenditures	
Services and Supplies	\$11,987
Total	\$11,987
Surplus	\$30,203

Source: (California State Controller's Office, 2021).

The TLD currently operates on a share of ad valorem property taxes. Since the District is considered a non-enterprise district, a fee/rate structure is not applicable to this revenue source. The potential for the District to receive additional ad valorem revenue may require the need for additional legal and administrative obligations.

Since the Lighting District's main source of revenue is property taxes, those funds should only be used around the properties paying for the lighting service. Therefore, a zone (or improvement district) should be established to keep funds meant for lighting to stay in the zone where the taxes have been collected.

PG&E is preparing a Rule 20A underground service project within the boundaries of TLD. During the August 6, 2019, Board of Supervisors meeting, Resolution 58-19 was adopted establishing the Tuolumne Townsite Underground Utility District. This District is not a special district, as it is defined in Cortese-Knox- Hertzberg Act, therefore, LAFCo does not have the power to order its consolidation with the other three districts. Street lighting will be converted to underground service on a one-for-one basis using the Rule 20A allocation.

The Tuolumne County Board of Supervisors is the governing body for the TLD, and the Board's meeting calendar and agenda can be accessed on the County website. According to the State Controller's Office, the TLD has had higher revenues and lower expenditures, resulting in what appears to be a healthy budget.

Combined Finances

Table 1-6 combines the revenues and expenditures of the three districts. The table shows a combined surplus in each of the three years between 2017 and 2019. The combined surplus for all three years would have been \$1,931,198. This indicates a consolidated district will have the financial flexibility to ensure similar provisions of service for less or roughly the same costs.

**Table 1-6
Combined 2017–2019 Revenue and Expenditures**

Revenue	2	2018	2019
Tuolumne City Sanitary District	\$1,333,914	\$2,449,185	\$1,532,289
Tuolumne Parks and Recreation District	\$276,438	\$299,836	\$304,821
Tuolumne Lighting District	\$33,054	\$36,905	\$42,000
Total	\$1,643,406	\$2,787,944	\$1,881,129
Expenditures			
Tuolumne City Sanitary District	\$1,191,770	\$1,110,667	\$1,149,060
Tuolumne Parks and Recreation District	\$287,832	\$288,794	\$306,074
Tuolumne Lighting District	\$12,142	\$22,955	\$11,987
Total	\$1,491,744	\$1,422,416	\$1,467,121
Surplus	\$151,662	\$1,365,528	\$414,008

However, because the Lighting District receives practically all of its revenue from property taxes paid from within the existing district, that revenue source should be earmarked to only be used for lighting services. This can be accomplished by the new CSD through the establishment of an improvement district or zone that has a boundary similar to the Lighting District.

Attachment 5 – Requested Latent Powers

Tuolumne City Service Providers									
Service	County of Tuolumne	Tuolumne City Sanitary District	Tuolumne Park and Recreation District	Tuolumne Lighting District	Tuolumne Utilities District	Tuolumne Fire District	County Service Area No. 21	County Service Area No. 47	Tuolumne County Resources Conservation District
Water supply and distribution	Authorized		Latent		Provides		Latent	Latent	
Sewer collection disposal	Authorized	Provides	Latent		Latent		Latent	Latent	
Storm drainage	Provides		Latent						
Street maintenance	Provides		Latent				Latent	Provides	
Street lighting	Authorized		Latent	Provides	Latent				
Street construction	Provides		Latent						
Flood control	Provides		Latent				Latent	Latent	
Solid waste collection	Provides		Latent		Latent		Latent	Latent	
Solid waste transfer and disposal	Provides		Latent				Latent	Latent	
Fire protection	Authorized		Latent			Provides	Latent	Latent	
Police protection	Provides		Latent			Latent	Latent	Latent	
Ambulance service	Authorized		Latent			Latent	Provides	Latent	
Undergrounding of overhead electrical & communication facilities	Provides		Latent				Latent	Latent	
Parks and recreation	Authorized		Provides				Latent	Latent	
Community facilities	Authorized		Provides				Latent	Latent	
Financing for area planning commission	Provides		Latent		Latent		Latent	Latent	
Financing for municipal advisory council	Authorized		Latent				Latent	Latent	
Libraries	Provides		Latent				Latent	Latent	
Graffiti abatement	Provides		Latent				Latent	Latent	
Weed & rubbish abatement	Provides		Latent				Latent	Latent	
Snow removal	Provides		Latent				Latent	Latent	
Soil conservation	Authorized		Latent				Latent	Latent	Provides
Animal control	Provides		Latent				Latent	Latent	
Public transportation	Provides		Latent				Latent	Latent	
Cemeteries	Authorized		Latent				Latent	Latent	Provides
Airports	Provides		Latent				Latent	Latent	